



Department of City Development  
City Plan Commission  
Redevelopment Authority of the City of Milwaukee  
Neighborhood Improvement Development Corporation

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June 10, 2020

Members of the Joint Review Board for Milwaukee Tax Incremental Finance Districts:

Dennis Yaccarino, City of Milwaukee; Chair  
Aaron Hertzberg, Milwaukee County  
Jeffrey Hollow, Milwaukee Area Technical College  
Martha Kreitzman, Milwaukee Public Schools  
Frances Hardrick, Public Member

Honorable Joint Review Board Members:

Re: 2019 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Finance Districts (TIDs) for the year ended December 31, 2019. The report covers project accomplishments for each district, a summary of costs and revenues, and an estimate of when the district is likely to recover its project costs. The 2019 report also includes additional financial information; debt issuance interest costs, and any miscellaneous revenue generated by district activity (e.g., land sales, rents, loan repayments).

Given the extent of the report, this information may be accessed for each district at:

<http://city.milwaukee.gov/TaxIncrementalFinancing.htm>

The Common Council adopted 14 resolutions regarding Tax Increment District activity in 2019. Six resolutions created new Tax Increment Districts:

- File #181913 created TID #97: The Avenue. The district is developer financed in the amount of \$9,000,000 cash grant to the developer to partially offset the costs necessary to construct the Public Access and Plaza Project. The Avenue project involves redevelopment of the former west arcade of the Grand Avenue Mall at 275 West Wisconsin Avenue. The project represents a total investment of approximately \$44 million. The redevelopment of the former New Arcade into 190,000 square feet of office space on the upper floors and approximately 75,000 square feet for a food hall and other retail on the first floor, called The Avenue. The redevelopment is being conducted by Hempel Milwaukee, LLC.



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- File #190070 created TID #98: The Ikon. The district in the amount of \$4,000,000 is a loan to the developer to assist in financing total project costs of approximately \$30 million. The project is a mixed-use development on property bounded by West North Avenue, North 24<sup>th</sup> Street, West Oak Street, and West Fond du Lac Avenue. The initial project will redevelop the former Sears and Milwaukee Mall building into an 80-room boutique hotel, restaurant, retail/commercial space, parking, and add and adjacent 24,600 square foot conference center. Later phases of the development could include housing, office, fitness center, and additional retail and parking.
- File #190404 created TID #99: Joy Farms. The district is developer financed in the amount of \$2.45 million to fund public infrastructure that currently didn't exist to serve an under utilized 33 acre site on the City's far northwest side at 115<sup>th</sup> and Good Hope Road. For many years the site was referred to as Joy Farms being it was used as a staging and parking area for the former Joy Farms buses that served schools throughout the area. The site also had a farm with a horse stable dating back to its early years. Western Building Products, Inc. selected the Joy Farms site to build their new headquarters and relocate 200-plus employees from their current Wauwatosa location. The project includes the installation of a 913 linear foot public water main and 4,250 linear foot public sanitary sewer main adjacent to the development site to serve the company and the abutting property owners. Currently the residential property owners have septic tanks, one of the few areas of the city left without sanitary sewer service.
- File #190787 created TID #100: Zillman Park. The district is to provide \$500,000 to make public improvements to Zillman Park, a city-owned park at 2138 South Kinnickinnic Avenue. The park was originally built in 1965, updated in 1990, and according to the City's Comprehensive Outdoor Recreation Plan was due for improvements in 2005. Since 2015, several hundred apartment units have been built within a two-block radius of Zillman Park, without improvements being made to the park itself. A project directly adjacent to the Park will add 140 residential apartment units in 2020, in addition to 16,000 square feet of ground floor retail space, including a food hall. This TID will provide the necessary funding to allow the Department of Public Works to construct a playground at Zillman Park, as well as install public amenities to improve the park and better serve the adjacent commercial space and residential developments.
- File #191013 created TID #102: Schuster's Building. The district is developer financed in the amount of \$15 million to assist in the redevelopment of the former Schuster's Department Store and Gimbel's warehouse, a 350,000 square foot building at 2153 North Dr. Martin Luther King Jr. Drive and a 24,000 square foot warehouse at 2212-2228 North Vel R. Phillips Avenue, by Royal Capital Group,

LLC. The redevelopment includes approximately 131,000 square feet of office space, approximately 40,000 square feet of early childhood education/fitness uses, 77 affordable apartment units and approximately 315 structured parking spaces. A portion of the office space will be occupied by the Medical College and a portion will be occupied by the Greater Milwaukee Foundation. The total project investment is approximately \$84,500,000. The Schuster's TID provides up to a \$15,000,000, developer-financed grant towards the project to assist with the façade restoration, affordable housing units and other extraordinary costs.

- File #191280 created TID #103: Phillis Wheatley. The district is developer financed in the amount of \$1,050,000 to assist in the adaptive reuse of the City owned former Phillis Wheatley School located at 2442 North 20th Street and the creation of 42 housing units and the construction of a four story building on the southern portion of the project with 40 housing units. The Project will contain a mix of one, two and three bedroom units. Of the 82 units in the project, 67 units will be affordable to households with incomes less than 60% of Area Median Income and 15 units will be market rate. The Project will have a focus on health and wellness with a high level of amenities, including a community commercial kitchen, cafe, fitness center, gym, and basketball court. The City provided a developer financed TID in the amount of \$1,050,000 to assist in financing total project costs of \$19 million.

The City of Milwaukee dissolved one district in 2019: TID #50: Solar Paint (file #181703) returned \$1.9 million of tax base to the tax rolls of Milwaukee's five taxing jurisdictions.

Per City of Milwaukee Ordinance 304-95-2, the project plans of TIDs may be amended to fund street-paving projects within one-half mile of the district boundary, providing there are sufficient funds to pay off the TID debt first and the TID is still within its allowable expenditure period. No TID plans were amended in 2019 for this purpose.

Other district project plan amendments included Amendment No. 2 to TID #83: Broadway and Michigan (file #190544) to provide \$3.9 million in funding for streetscaping, traffic signals, and lighting along with \$25,000 for administrative expenses. Approved was Amendment No. 5 to TID #37: Grand Avenue (file #190545) to provide \$3.0 million in public infrastructure improvements for the reconstruction of North 2<sup>nd</sup> Street between West Wisconsin Avenue and North Plankinton Avenue in association with the construction of the new Milwaukee Symphony Orchestra concert hall. Approved was Amendment No. 3 to TID #75: Reed Street Yards (file #190175) to provide \$3.4 million reallocated from a previously approved Public/Private Venture Fund to fund additional sewer and public infrastructure work at the project site. Also approved was Amendment No. 1 to recently created TID #98: The Ikon (file #190774) to provide and additional \$5.0 million loan to the developer with the Hotel Project, \$500,000 for public infrastructure improvements, and



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\$500,000 for commercial corridor improvements. The amendment also included \$112,000 in administration expenses.

Finally, the City approved resolutions including authorizing a grant for TID #96: Komatsu Mining Corp. (file #181752) to fund the design and installation of the Watermarks public art installation; the approval for TID #91: Park Place (file #190551) to expend from the already established business attraction/retention fund; and the approval for TID #92: Sherman Phoenix (file #181634) to establish procedures to expend from its own already established business attraction/retention fund without further Common Council approvals.

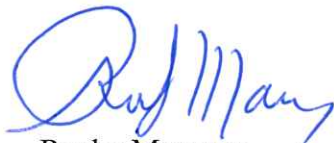
By the end of 2019 total incremental property value in all districts was approximately \$2.0 billion. This represents 6.75% of the City's total property value in 2019.

Project costs remaining to be recovered through future tax incremental revenue, including debt service on outstanding bonds, or bonds to be sold, are now estimated at \$196.8 million. This does not include costs advanced by businesses or developers through developer financed districts.

A summary of districts estimated to recover their costs within the next two years is listed in the table attached to this letter. This table reflects the department's best estimates, but is subject to audit and, in some cases, may be impacted by the issuance of future debt to finance project costs already incurred. It is expected that all of these districts will be evaluated for paving and housing assistance amendments, adding up to two years to the estimated dates of closing.

If you have any questions related to this report, or the status of any Milwaukee Tax Incremental District, please contact David Schroeder of my staff at (414) 286-5933.

Sincerely,



Rocky Marcoux  
Commissioner

**Table A:  
Districts Estimated to Recover Project Costs within  
2019-2020 (Levy Year)**

District No.	District Name	Projected Year Project Costs are Recovered [1] (Levy Year)	2019 Incremental Property Value (\$ millions)	Comments
22	Beer Line B	2019	\$236.4	Housing and close (2021)
59	Bronzeville	2019	\$0.8	Receiving donations to insure cost recovery

[1] Projected closing dates exclude possible paving & housing amendments.